

United States Senate
WASHINGTON, DC 20510-4904

December 23, 2008

The Honorable Barack Obama
The President-elect
Presidential Transition Team
Washington DC 20270

The Honorable Harry Reid
Majority Leader
United States Senate
Washington, DC 20510

Dear Mr. Obama and Majority Leader Reid:

I have been encouraged by your comments about the need to enact an economic recovery program early next year that focuses on creating and retaining jobs. While the package should be designed to stimulate the economy and create jobs in the short term, I believe there should also be an emphasis on proper prioritization and long term value, and on fiscal responsibility.

In the aftermath of the collapse of a span of the I-35W bridge in Minnesota in August 2007, attention was drawn to the condition of our nation's highways and bridges and it became clear that many parts of the transportation system are in serious need of repair and upgrades to reduce congestion and improve safety. The emergency closure of the Hwy 43 bridge across the Mississippi River connecting Wisconsin and Minnesota this summer was another reminder of the importance of roads and bridges to our economy as thousands of workers were forced to drive as much as an extra hundred miles a day until a ferry could be put in place. With a significant number of highway and bridge projects of all sizes already identified as being ready to build including over a hundred projects totaling \$317 million in Wisconsin alone, highway and bridge construction and repair can also be a potent job creation mechanism to help stimulate the economy and for these reasons I support its inclusion in the economic recovery program.

As you likely know, with the increased gasoline prices and economic turmoil over the past couple years, demand for transit and intercity passenger rail service has increased dramatically. At the same time, Amtrak funding has stagnated and the ability of state and local governments to support transit services has been eroded by dwindling tax revenues. Shifting some of the burden of passenger and freight transportation to other modes of transportation can only help with the traffic gridlock that is all too common across the country. Accordingly, I urge that a portion of the infrastructure funds be made available through Amtrak capital projects and formula grants to cities and states for transit service. It may even be useful to provide some flexibility to states to shift a portion of highway or other infrastructure funds to transit accounts should local demand and conditions make them a higher priority.

Considering the tight state and local budgets, it also seems wise to consider providing a higher federal share for these programs. To give an example, the Job Access and Reverse Commute (JARC) program is a good candidate for increased funding through the economic recovery program. JARC is a flexible program that helps local communities overcome transportation barriers that stand in the way of matching employers and employees. JARC solutions can range from something as simple as extending a bus route or offering car-share or car repair to helping with transportation of children to childcare so that parents can also make it to work. Even before the economic downturn, many eligible Wisconsin transit agencies and community groups found it difficult to meet the paperwork and 50% cost share requirements, which is why I proposed changes to the program by introducing the Job Access and Reverse Commute Program Improvements Act (S.3466). With the current strain on local and state budgets, I urge you to consider increasing the federal share for infrastructure and transit program like JARC in the economic recovery program.

Any economic recovery package should also include funding for the Clean Water State Revolving Fund and the Drinking Water State Revolving Fund. According to U.S. Environmental Protection Agency estimates, over the next two decades, the United States needs to spend nearly \$660 billion to replace existing wastewater and drinking water infrastructure systems. By investing in wastewater and drinking water infrastructure, we can put people to work tackling an important challenge of our times: aging water infrastructure and associated environmental, public health, and economic costs. The National Association of Clean Water Agencies estimates that for each \$1 billion invested in clean water infrastructure, 47,000 jobs are generated. I strongly urge you to ensure that these funds are not earmarked, which would undermine the states' ability to direct funds to the highest priority water quality improvements nationwide. As we improve our water systems and water quality, I also urge you to ensure we are investing in 21st century approaches that include green infrastructure and addressing domestic security risks associated with our public water supply.

I also urge your support for energy programs to quickly stimulate new green jobs. By investing in energy efficiency and renewable energy, we can invigorate the economy and create good green collar jobs while beginning our critical long-term transition to a clean energy economy and increased energy security. I have heard from many Wisconsin counties and cities that they have numerous ready-to-go projects that would qualify for Energy Efficiency & Conservation Block Grant funding. This program, established by the Energy Independence and Security Act of 2007 (P.L.110-140), is a results-oriented program that allows cities, counties, states and tribes to address local energy needs and priorities that achieve lasting energy-savings and reduced greenhouse gas emissions. These block grants have the potential to create 60,000 jobs in construction and installation over the next year, 24,000 jobs in materials manufacturing, as well as an additional 183,600 indirect jobs in other sectors, and could generate up to \$2.3 billion in energy savings each year. Similarly, the Weatherization Assistance Program can quickly and cost-effectively generate jobs. I urge you to include these and other programs that produce green energy jobs in the economic recovery package.

Another key investment that should be included in the economic recovery package is federal funding for public school infrastructure projects. Many public school facilities around our country, particularly in high-poverty urban and rural communities, have been in a state of

disrepair for years. Any funding provided for public school construction and renovation projects should include a priority for infrastructure projects that serve low and moderate income students as well as projects that can begin quickly. This funding would provide construction and engineering jobs in the near term as well as improve the condition of education facilities around our country for our students most in need. A well-educated citizenry is increasingly important to maintaining American competitiveness in the twenty-first century, and educational opportunities for all our children would be improved if the federal government invested in public school construction and renovation projects.

An important component of the nation's infrastructure is our public housing supply, which provides a place to live for our most vulnerable citizens. There are a variety of steps we can take next year to strengthen our public housing, including providing additional funding and support for modernizing and improving public housing facilities. To help address some of the improvements needed, I have introduced the Affordable Housing Expansion and Public Safety Act (S. 427) which would reauthorize the Public Housing and Drug Elimination Program. A strengthened and reauthorized PHDEP program would greatly improve the safety of our public housing. The federal government should also consider providing funding for the Public Housing Capital Fund to assist public housing authorities with new construction projects as well as much-needed renovations to existing public housing facilities. In these tight economic times with restricted access to capital, this funding would provide critical resources to improve the quality of public housing while also creating construction and other jobs. In order to be as effective as possible, any funding should be targeted to public housing infrastructure projects that are ready to begin soon after receipt of federal funding.

Even with the increased funding provided, it is not possible that every project that is proposed will be funded. So there will be a need at some level to critically evaluate the different proposals and determine which projects best combine job creation and meeting long term needs. For the most part, states and cities are best able to make these decisions, and I was glad to hear reports that earmarks were not planned for the economic recovery program. In some cases, this may mean that a new formula program or other guidance is needed. For example, Bus and Bus Facilities (Section 5309) are typically only funded for specific projects by Congress to provide for new vehicles and transit facilities for small transit agencies, while larger cities receive formula funding. This reliance on congressional selection can prove particularly problematic when earmarks are not included, as was the case under the FY2007 year-long continuing resolution. In FY2007 these small transit agencies went largely without federal support as the Administration diverted the funds to six large cities for congestion mitigation through public-private partnerships. In the specific case of bus and bus facilities, Wisconsin may be unique in that the state and local transit agencies work together and request a statewide fund that is then distributed by the state to the local agencies based on need. I urge you to use this Wisconsin system as a model to distribute funds to smaller transit agencies through a need-based system administered by each state.

I was encouraged by President-elect Obama's call for wider high-speed Internet access. The patchy availability of affordable broadband access is a common concern expressed to me during the constituent listening sessions I have held in rural areas of Wisconsin. Considering the number of employment and other opportunities made available through broadband access, we

need to erase the digital divide and ensure we do not fall further behind other nations in broadband adoption. I know there are a number of competing proposals for the best way to provide universal service, and the economic recovery program offers an opportunity to fund some of the most promising and study their effectiveness to guide our future investment.

As you consider this and other suggestions, I also ask that you give careful consideration to our country's serious fiscal problems. We learned in the 1990s that addressing our federal debt and deficit can actually help stimulate economic growth. I look forward to working with you to ensure that the economic recovery legislation does not unnecessarily damage our long term fiscal position.

Thank you for considering these ideas as you formulate an economic recovery program. I look forward to supporting fiscally responsible legislation that creates and retains jobs, while at the same time improving American infrastructure critical to our future.

Respectfully,



Russell D. Feingold

Cc: The Honorable Mitch McConnell, Minority Leader
Chairman and Ranking Member, Appropriations Committee
Chairman and Ranking Member, Banking, Housing, and Urban Affairs Committee
Chairman and Ranking Member, Commerce, Science, and Transportation Committee
Chairman and Ranking Member, Energy and Natural Resources Committee
Chairman and Ranking Member, Environment and Public Works Committee
Chairman and Ranking Member, Health, Education, Labor, and Pensions Committee